

WATER/FLC/ABJ/DON:jlj

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION

RESOLUTION NO. W-4406

July 10, 2003

RESOLUTION

**(RES. W-4406), CALIFORNIA WATER SERVICE COMPANY (CWSC),
SOUTH SAN FRANCISCO AND WILLOWS DISTRICTS. ORDER
DENYING SURCHARGES IN EACH DISTRICT TO RECOVER
UNDER-COLLECTIONS IN PURCHASED WATER AND
PURCHASED POWER BALANCING ACCOUNTS.**

SUMMARY

By Advice Letter Nos. 1543 and 1544, filed March 17, 2003, CWSC seeks to recover the net under-collection in the purchased water and purchased power balancing accounts as of November 29, 2001, producing additional combined annual revenues of \$182,704 for the following districts:

South San Francisco District: By Advice Letter No. 1543, filed on March 17, 2003, CWSC seeks revision to its tariff Schedule No. SSF-1, General Metered Service, by assessing a surcharge of \$0.0426 per Ccf (One Ccf is equal to 100 cubic feet) per customer over 12 months, to recover a \$169,387 or 1.78% under-collection, including interest.

Willows District: By Advice Letter No. 1544, filed on March 17, 2003, CWSC seeks revision to its tariff Schedules No. WL-1, General Metered Service; and WL-2R, Residential Flat Rate Service by assessing a surcharge of \$0.0185 per Ccf on all water sold to metered customers and a surcharge of \$0.5386 per month for residential flat rate customers for a period of 12 months, to recover a \$13,317 or 1.64% under-collection, including interest.

BACKGROUND

CWSC serves about 15,900-metered customers in its South San Francisco District. The present rates for the South San Francisco District became effective on January 10, 2003, via Advice Letter 1523.

CWSC serves about 1,300 metered, and 900 flat rate customers in its Willows District. The present rates for the Willows District became effective on January 1, 1998, via Advice Letter 1448.

CWSC requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase annual revenue in the following districts to recover under-collections in their respective purchased water and purchased power balancing accounts:

South San Francisco District - \$169,387 or 1.78%

Willows District - \$13,317 or 1.64%

The above-mentioned advice letter filings meet the requirements of Ordering Paragraph 2 of Commission Decision No. 02-12-055, dated December 17, 2002. This ordering paragraph is discussed in the Discussion section of this resolution.

DISCUSSION

Advice Letter Nos. 1543 and 1544 were filed in compliance with Ordering Paragraph 2 of Decision 02-12-055 which states:

“Utilities requesting recovery of existing balancing accounts prior to November 29, 2001 shall file, within 90 days from the effective date of this decision, advice letters requesting recovery pursuant to the existing balancing account procedures.”

The existing procedure for recovery of balancing accounts is as follows:

- (1) Utilities, at their option, may request a surcharge once under-collections reach 2%;
- (2) Otherwise, balancing account review and recovery of remaining balances are processed at the time of the utility's next General Rate Case. The recovery requested in Advice Letters Nos. 1543 and 1544 is for recovery of under-collection balances, which are less than 2%. Consistent with existing balancing account procedures, the Water Division (Division) recommends that recovery sought in Advice Letter Nos. 1543 and 1544 be denied in this resolution and that CWSC request recovery in the next General Rate Case for its South San Francisco and Willows Districts.

NOTICE AND PROTESTS

CWSC has given public notice of the request for an increase by publishing in a local newspaper per the following table:

<u>District</u>	<u>Publication Date of Notice</u>
South San Francisco	January 8, 2003
Willows	January 10, 2003

Proof of Publication has been provided to staff and no protest letters were received.

FINDINGS

1. CWSC filed Advice Letter Nos. 1543 and 1544 for its South San Francisco and Willows Districts, respectively, in compliance with Ordering Paragraph No. 2 of D.02-12-055 which states:

"Utilities requesting recovery of existing balancing accounts prior to November 29, 2001 shall file, within 90 days from the effective date of this Decision, advice letters requesting recovery pursuant to the existing balancing account procedures."

2. Existing procedure for recovery of balancing accounts is as follows: (1) Utilities, at their option, may request a surcharge once under-collections reach 2%; (2) Otherwise, balancing account review and recovery of remaining balances are processed at the time of the utilities next general rate case.
3. The recovery requested in Advice Letter Nos. 1543 and 1544 for the South San Francisco and Willows Districts, respectively, are less than 2%, therefore, these requests should be denied and incorporated in the next General Rate Cases for the South San Francisco and Willows Districts.

THEREFORE IT IS ORDERED THAT:

1. California Water Service Company's requests to revise rates as requested in Advice Letters Nos. 1543 and 1544, for the South San Francisco and Willows Districts, are denied.
2. California Water Service Company is authorized to incorporate the requests of Advice Letters Nos. 1543 and 1544 into the next General Rate Case Application for

its South San Francisco and Willows Districts or to seek said recovery as otherwise authorized by this Commission.

3. Future recovery from balancing accounts identified in Advice Letter Nos. 1543 and 1544 shall be limited to the under-collection effective November 29, 1991 plus interest until the date of recovery.
4. California Water Service Company is directed to keep maintaining its balancing accounts as required by Public Utilities Code Section 792.5.
5. This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on July 10, 2003; the following Commissioners voting favorably thereon:

WILLIAM AHERN
Executive Director